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DATE: June 2, 2003

TO: Agency Human Resources Administrators

FROM: Jeffrey C. Schutt
Director, Division of Human Resources

SUBJECT: Implementation of System Changes, JEL 03-03

The system changes indicated on the accompanying chart will be implemented as final on July 1, 2003. They include the Transportation Maintenance III pay grade change, the abolishment of the Senior Executive Service (SES) occupational group and class series, and the abolished vacant classes. None of these changes will cause fiscal impact to the departments involved.

In light of the current economy, the legislature passed a bill which prevents implementation on July 1, 2003, of the salary survey and any system maintenance studies with increased costs. Therefore, final pay grade change recommendations for Phase II of the Enforcement and Protective Services (EPS) consolidation study and the Police Communications study will not be implemented at this time. These study recommendations will be implemented on July 1, 2004, pending funding.

The revised class descriptions will be available on the website on July 1, 2003. Please provide this information to appointing authorities, directly affected employees and any others in your agency who may need this information. Information is also available on the web at <http://www.colorado.gov/dpa/dhr>.

If you have any questions, please contact Total Compensation/Systems staff at 303-866-2391.

SUMMARY OF SYSTEM CHANGES

JEL 03-3
Date of Letter: 6/2/03

Total Compensation and Systems Support

* P = proposed; F = final (only F is to be entered into EMPL and ADS)

P or F*	CD Changes			Current Class		New Class		Occ Grp		Grade		Pay Diff.		Effective Date
	New	Rev	Abol	Code	Title (limit 25 characters)	Code	Title (limit 25 characters)	From	To	From	To	From	To	
Abolished Vacant Classes														
F			X	C4J1TX	Clinical Behavior Spec I		Abolish	HCS						7/1/03
F			X	C8B4XX	Dietitian IV		Abolish	HCS						7/1/03
F			X	H3I7XX	Media Specialist VI		Abolish	PS						7/1/03
LTC Pay Grade Change														
F				D7D3XX	Trans Maint III			LTC	LTC	D47	D50	0	0	7/1/03
Abolished SES Class Series and Occupational Group														
F			X	F2A1XX	Senior Executive Service		Abolish – positions moved to Management class (H6G8XX) – no conversion	SES						7/1/03
Revised PS Class Description														
F		X		H6G8XX	Management			PS						7/1/03



SYSTEM MAINTENANCE STUDY

NARRATIVE REPORT -- FINAL CHANGES

TRANSPORTATION MAINTENANCE III

Class Code D7D3XX

Conducted Fiscal Year 2002-2003

BACKGROUND AND PURPOSE OF STUDY

This system-wide study is part of the Department of Personnel and Administration's (hereafter "the department") statutory responsibility, CRS 24-50-104(1)(b), for maintaining and revising the system of classes covering all positions in the state personnel system. Such maintenance may include the assignment of appropriate pay grades that reflect prevailing wage as mandated by CRS 24-50-104(1)(a). The state personnel director has delegated authority for system studies to the Division of Human Resources (hereafter "the division").

This study was initiated by the Total Compensation and Systems Team to review the survey match and the appropriateness of the pay grade assigned to the Transportation Maintenance III class, the supervisory level in the series. Survey data collected through the annual total compensation survey has shown a trend that the pay of the Transportation Maintenance III level is lagging the market.

METHODOLOGY

No conceptual class description problems have been identified so the division concluded that this system maintenance study would be limited to a salary review only. Because the study is an analysis of appropriate compensation, Position Description Questionnaires (PDQs) were not collected or evaluated as part of the process. The study was announced in the August 2001 *Advisor* and on the division's website along with email and fax notice to agency human resource (HR) administrators at the same time.

The Transportation Maintenance III class is a survey match in the annual total compensation survey. Market data has been collected for this occupation for more than five years. As the market data has shown a trend that the state's midpoint for this class is lagging the market, a review of the match was necessary to determine if it continues to be valid.

The study relied on information gathered through the annual total compensation survey beginning in 1998. The class is matched to a single survey source, the Colorado Municipal League (CML) survey. A review of the survey capsule description confirmed that the match continues to be appropriate.

ISSUES AND FINDINGS

The state's pay range midpoint of the Transportation Maintenance III class has shown a trend for lagging the labor market. The class was first matched in the 1998 total compensation survey at which time data showed the state lagging the market by approximately 9.63%. As this was the first year data was collected, staff began monitoring the market situation on this class.

Based on data collected through the total compensation survey for subsequent years, the difference between the state and market midpoints has shown a fairly consistent pattern of the state lagging the market. Historical survey data show the midpoint difference increased to 11.45% in 1999 and again in 2000 to 11.57% below market. This difference dropped back to 9.13% with the 2001 data and dropped to 8.52% with the 2002 data. The average difference between the market and state midpoints for this time period is 10.06%. The market match for this class is solid in terms of class concept (first supervisory level) and the number of firms reporting data in the CML survey over the five years that data has been collected.

Based on the survey data, it is recommended that the pay grade for the Transportation Maintenance III class be increased by three pay grades (7.5%) to bring the class into alignment with the market. Adjusting the Transportation Maintenance III class by 7.5% alters the internal alignment of the three classes in this class series and will change the pay differential between the supervisor and the leadwork class from 15% to 22.5%. A comparison of the internal alignment of this class series with other class series in the Labor, Trades, and Crafts (LTC) occupational group that have both the leadwork and supervisory levels shows pay differentials between these two concepts range between 15% and 30% with an the average of 20.5%. Taking into consideration the market data from the last survey cycle and this class's internal alignment, a 7.5% increase is warranted.

There is no market data available on the Transportation Maintenance I (full-operating) level. The Transportation Maintenance II class (leadwork level) is matched with the market in the annual total compensation survey. Data collected through the same CML survey source shows this class to be within the tolerance zone (+ or – 7.5%). Since market data does not support a pay adjustment for the I and II levels at this time, it is recommended that the current alignment between the I (full operating) and II (leadwork) levels remain. No adjustments are recommended for the Transportation Maintenance I or II classes at this time.

Class Title	Current Grade	New Grade
Transportation Maintenance I	D37	no change
Transportation Maintenance II	D41	no change
Transportation Maintenance III	D47	D50

MEET AND CONFER ON PROPOSED RESULTS

CRS 24-50-104(1)(b) requires the department to meet and confer with affected employees and employee organizations, if requested, regarding the proposed changes before they are implemented as final. The official notice of proposed changes contained a deadline by which all "meet and confer" activity must conclude in order to implement the recommendations on July 1, 2003. In an effort to proactively facilitate this process, a public meeting was held on June 21, 2002. The notice of the public meeting was posted on the web, sent to the four employee organizations, and also faxed and emailed to agency HR administrators.

A total of eight interested employees attended the "meet and confer" sessions. No written comment letters were received. The majority of questions during the "meet and confer" session focused on general information or issues already addressed in the narrative, e.g., how salaries are adjusted when a system maintenance study is implemented, the order of implementation of the study and the total compensation survey, and implementation dates for this study.

An explanation of the dollar-for-dollar provision for implementing system studies was given. The dollar-for-dollar procedure (P-3-13) allows the department to implement class changes and realign pay grades without incurring excessive cost to the system when there have been no changes to the job assignment and responsibilities themselves. As long as the salary rate of each individual employee is within the new pay range, pay is considered to be in alignment with the market so no pay adjustments are made upon implementation. Employees will benefit from the greater economic opportunity of the higher range maximum.

Procedure also dictates the order of implementation when multiple pay actions are effective on the same date. Procedure P-3-7 states that system maintenance studies are implemented first, followed by upward, downward, or lateral movements, the annual total compensation survey adjustment, and finally, performance awards. This study is scheduled for implementation on July 1, 2003. Due to legislation (SB03-273 and SB03-258), the recommended annual total compensation survey adjustments and performance pay increases shall not be implemented in Fiscal Year 2003-04. Consequently, this issue becomes moot.

One comment was made that the pay relationship between the Transportation Maintenance I and II levels and the proposed grade for Transportation Maintenance III is very wide. This issue was addressed in the proposed narrative report. There is no market data available on the Transportation Maintenance I (full-operating) level. The survey data available for the Transportation Maintenance II class shows this class to be aligned with the market. The pay relationship or differential between the II and III levels is in line with the market and other pay differentials in the class structure. Without data to support that jobs are out of alignment with the market, no change was recommended.

FISCAL IMPACT FOR IMPLEMENTATION YEAR

CRS 24-50-104(4)(c) and (6)(a) require that any study involving increased costs must be included in the Annual Total Compensation Report for an effective date on the ensuing July 1. This study proposes to adjust the pay grade for one class upward.

The following information depicts the assumptions made in the calculation of fiscal impact.

Data was taken from EMPL as of May 1, 2003, and is assumed to be accurate as of that date. It excludes the University of Colorado and Colorado State University due to the different budgeting process used for funding at these institutions and the questionable accuracy of their data on EMPL.

Only permanent positions are reported. Information on funded vacancies is included and is assumed to be accurate. It is also assumed that the vacancies will be filled for the entire year of implementation. Temporary and substitute positions are excluded.

The implementation date of July 1, 2003, coincides with the beginning of the fiscal year. In accordance with the Director's Administrative Procedures regarding the order of multiple actions on the same effective date, system maintenance studies are implemented first. Due to legislation (SB03-273 and SB03-258), there will be no annual total compensation survey adjustments and performance pay increases for Fiscal Year 2003-04.

In accordance with the Director's Administrative Procedures, system maintenance studies are implemented on a "dollar-for-dollar" basis where an employee's current salary remains unchanged when a class is moved to the new grade. An exception is when a class moves upward and the employee's current salary falls below the minimum of the new grade. Such adjustments to base salary represent increased cost.

Any change in PERA cost needs to be included in the calculations performed by affected departments.

Two departments are impacted by this change that affects 55 positions (52 filled and three vacant). The proposed pay grade change in this series represents no increased cost to departments during the implementation year. All filled positions are currently at salaries above the minimum of the new pay grade (D50). The three vacant positions are located at the Department of Transportation (CDOT). CDOT's policy is to fill Transportation Maintenance III vacancies by internal promotion from the Transportation Maintenance II class. Also, their policy limits promotional salary increases to 15%. EMPL data was analyzed to determine whether fiscal impact would be incurred by the promotion of any of CDOT's Transportation Maintenance II positions into one of the three vacant Transportation Maintenance III positions. CDOT has 279 Transportation Maintenance II positions. Of these, 278 have current salaries already above the proposed pay range minimum. The remaining position's current salary is below the new range minimum; however, if the 15% promotional increase limit is applied to this position's current salary, the salary would be well above the new range minimum. Consequently, there is no fiscal impact caused by filling the vacant positions via promotion.

RECOMMENDATIONS

I. Occupational Group

No change is recommended. This class remains in the LTC Occupational Group.

II. Class Description

No substantive change. Revised to reflect the pay grade change in the class history section.

III. Class Conversion

Class conversion is the movement from the former class title and grade to a new class title and grade for purposes of future reinstatement and retention. It is used for those studies that do not involve class placement. Conversion does not apply as no change in class is recommended. The only recommended change is to the pay grade of Transportation Maintenance III, grade D47 to D50.



SYSTEM MAINTENANCE STUDY

NARRATIVE REPORT -- FINAL CHANGES

SENIOR EXECUTIVE SERVICE

Class Code F2A1XX

Conducted Fiscal Year 2002-2003

BACKGROUND AND PURPOSE OF STUDY

This system-wide study is part of the Department of Personnel and Administration's (hereafter "the department") statutory responsibility, CRS 24-50-104(1)(b), for maintaining and revising the system of classes covering all positions in the state personnel system. Such maintenance may include the assignment of appropriate pay grades that reflect prevailing wage as mandated by CRS 24-50-104(1)(a). The state personnel director has delegated authority for system studies to the Division of Human Resources (hereafter "the division").

As the result of a public rulemaking hearing on February 18, 2003, the state personnel board and the state personnel director adopted changes to the rules and procedures regarding the Senior Executive Service (SES). The new rules and procedures state that SES is an alternative pay plan available to select positions within the Management class. Due to these procedures and rules changes, all positions within the SES class will be individually placed in the Management class on July 1, 2003.

ISSUES AND FINDINGS

All current positions in the SES class (F2A1XX) will be placed in the Management class (H6G8XX) on July 1, 2003, by EMPL staff. Subsequently, the SES occupational group and class will be abolished. The SES class will not be converted to the Management class, as conversion infers a transfer of retention rights, which SES positions do not have, by statute. When the positions are placed, all salaries will be kept at the contract amount in effect on June 30, 2003. Each department will update the contract salary and a new stop date before the July payroll cutoff date.

Effective July 1, 2003, SES contract salaries will be recorded as a SES pay premium, which allows the salary to exceed the Management pay range maximum by up to 25%. A new EMPL pay differential code for SES will be available July 1, 2003.

If no contract exists or if the SES pay premium is not added to the employee record in EMPL effective each July 1, the salary will stay at the current rate or revert to the Management pay range maximum, whichever is less.

MEET AND CONFER ON PROPOSED RESULTS

CRS 24-50-104(1)(b) requires the department to meet and confer with affected employees and employee organizations, if requested, regarding the proposed changes before they are implemented as final. The official notice of proposed changes contained a deadline by which all "meet and confer" activity must conclude in order to implement the recommendations on July 1, 2003. In an effort to proactively facilitate this process, a public meeting was scheduled for May 12, 2003.

The notice for meet and confer was posted on the division's website and emailed to all agency HR administrators on May 6, 2003. One meet and confer meeting was held at 1313 Sherman Street on May 12, 2003. Three employees attended from three different departments. Only informational type questions were raised on the SES nomination process and the effective dates of the new rules and procedures. No written comments were received. The deadline for all meet and confer activity was May 14, 2003.

FISCAL IMPACT FOR IMPLEMENTATION YEAR

There is no fiscal impact from this study.

RECOMMENDATIONS

I. Occupational Group

All current SES positions will be placed in the Management class in the Professional Services Occupational Group. The SES occupational group will be abolished.

II. Class Descriptions

Once all current SES positions are placed in the Management class, F2A1XX will be abolished. The Management class description will be revised to reflect this change.

III. Class Conversion

There is no conversion related to these changes. The recommended changes are:

CURRENT			PROPOSED		
Code	Title	Pay Grade	Code	Title	Pay Grade
F2A1XX	Sr. Executive Service	F99		Abolish	
F	SES occupational group			Abolish	



SYSTEM MAINTENANCE STUDY

NARRATIVE REPORT – FINAL CHANGES

Elimination of Vacant Classes

Conducted Fiscal Year 2002-2003

BACKGROUND AND PURPOSE OF STUDY

This system-wide study is part of the Department of Personnel & Administration's (hereafter "the department") statutory responsibility, CRS 24-50-104(1)(b), for maintaining and revising the system of classes covering all positions in the state personnel system. Such maintenance may include the assignment of appropriate pay grades that reflect prevailing wage as mandated by CRS 24-50-104(1)(a). The state personnel director has delegated authority for system studies to the Division of Human Resources (hereafter "the division").

This specific study is conducted each year to eliminate those classes that are vacant and no longer used. The procedure maintains a current, accurate class plan for all users. This relatively simple housekeeping procedure also reduces the number of classes, which contributes to the goal of fewer, broader classes.

METHODOLOGY

A list of vacant classes from the employee database (EMPL) was obtained. Each occupational specialist examined the list of classes and selected those being proposed for abolishment. A list of 20 potential classes was emailed to all human resources administrators on February 4, 2003. They were asked to reply only if they wished to request retention of a class and to provide rationale. Those responses were due by February 18, 2003.

Eleven of the classes are entry/trainee level and are expected to be used in the next year. Three of the classes are used for promotional purposes and will be retained. One is used periodically because of the decision-making level.

During the meet and confer process, one agency requested retention of the Collections Representative I class, which had been proposed to be abolished. As a result of high turnover at the Collections Representative II level, the agency has begun recruiting at the entry level to attract quality candidates for training. The Chaplain I was also proposed to be abolished; however, the class now has an incumbent, so will be kept.

The remaining three classes will be abolished. The Clinical Behavioral Specialist I is the entry level class in that series and is not being used. The Dietitian IV and Media Specialist VI classes are the top levels in those series and are not being used.

It should be noted that any class being eliminated might be recreated if the need should arise in the future.

RECOMMENDATION

The following three classes will be abolished on July 1, 2003. Revised class descriptions will be available on that date.

CODE	CLASS TITLE
C4J1TX	Clinical Behavioral Specialist I
C8B4XX	Dietitian IV
H3I7XX	Media Specialist VI

FISCAL IMPACT FOR IMPLEMENTATION YEAR

There is no fiscal impact from this study. These classes are vacant and no current employee is affected.